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FM AMEMBASSY JAKARTA

TO RUEHC/SECSTATE WASHDC IMMEDIATE 8226

INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY

RUEHBJ/AMEMBASSY BEIJING 4792

RUEHBY/AMEMBASSY CANBERRA 2123

RUEHNE/AMEMBASSY NEW DELHI 1647

RUEHPB/AMEMBASSY PORT MORESBY 3709

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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 000450

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E.O. 12958: DECL: 03/05/2018

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SUBJECT: PARLIAMENT PASSES LEGISLATION FOR 2009 ELECTIONS

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Classified By: Pol/C Joseph Legend Novak, reasons 1.4(b+d).

**¶1. (C) SUMMARY:** On March 3, the Indonesian legislature (DPR) passed complicated legislation governing the 2009 parliamentary elections. The new legislation, *inter alia*, raises the number of DPR seats by 10 and requires parties to obtain a minimum percentage of the overall vote in order to win seats. On balance, the new law appears to be skewed in favor of Indonesia's larger political parties. In addition, while the legislation may improve the link between legislators and constituents, it may strain the Election Commission due to its byzantine complexity. END SUMMARY.

THE LEGISLATURE EXPANDS...

**¶2. (U)** After several weeks of contentious, highly publicized debate, the Indonesian House of Representatives (DPR) finally approved a legislative election bill on March 3. President Yudhoyono is expected to sign the bill soon. The bill will increase the number of seats in the DPR from 550 to 560. The number of electoral districts will also expand from 69 to 77.

SMALL PARTIES NEED NOT APPLY

**¶3. (U)** One of the more striking features of the new law is the so-called "parliamentary threshold," a requirement that parties secure 2.5 percent of the overall total number of votes cast in order to be able to send representatives to the DPR. Any party that fails to reach this threshold will automatically forfeit all of its votes and be banned from contesting the 2014 parliamentary elections. Had this election stipulation been in place in 2004, nine of the 17 parties currently represented in the DPR would have been disqualified, leaving a total of 38 DPR seats up for grabs for the eight parties left standing.

THE RICH GET RICHER

**¶4. (C)** While the smaller parties will have nothing less than

their livelihood at stake in 2009, the larger parties are poised to clean up in their wake. No two parties stand to benefit more conspicuously from the new law than the two with the largest presence in the DPR: Golkar and PDI-P. Not only will these two parties most likely gobble up the lion's share of the seats forfeited by the smaller parties, they also successfully added a complicated vote counting mechanism into the legislation that will be used to tabulate the "residual votes," or votes left over after the first round of DPR seats are assigned.

15. (C) Most analysts believe the new residual vote counting mechanism will boost Golkar and PDI-P's prospects significantly. One local expert predicted Golkar could add 32 new seats as a direct result of this rule (Golkar currently has 128 seats) while PDI-P could add 16 seats (they have 109 now). Prospects for mid-sized parties like President Yudhoyono's Democratic Party were less certain. One simulation applying the new residual vote counting mechanism to the 2004 legislative election calculated that the Democratic Party would have lost some seats (out of its current 57 total). However, party leaders immediately dismissed the significance of the simulation by arguing they will receive a higher percentage of the vote in 2009, rendering the exercise meaningless.

#### A MORE ACCOUNTABLE LEGISLATURE?

16. (SBU) The new law should help improve the accountability of the legislature by reducing the influence of the parties. In 2004, only two of the 550 legislators won their seats based on the number of votes they personally received; 548 legislators got their jobs as a result of their ranking on party lists. (Note: During legislative elections, voters select party symbols on the ballots and also have the option of voting for individuals.)

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17. (C) The new law relaxes the percentage of the vote an individual is required to receive in order to be directly elected, and should improve the connectivity between legislators and their electoral districts. Lena Maryani Mukti, an M.P. and one of the drafters of the bill, told poloff that--according to her projections--as many as 50 percent of the seats will be won in this fashion in 2009. While not a substitute for single member electoral districts, Mukti said the new law would compel legislators to spend more time focusing on constituent needs and less time pleasing their parties.

#### BYZANTINE RULES WILL STRAIN COMMISSION

18. (C) The level of complexity involved in tabulating votes and apportioning seats under the complicated new law promises to test an already resource-poor Electoral Commission (KPU). Tasked not only with implementing a law that confuses many of the members of the special committee that wrote it, the KPU will further be asked to do so on a shoe string budget. (Note: The KPU's 2009 budget was slashed considerably relative to 2004.) Further complicating matters, the DPR ultimately passed the law more than three months later than expected, giving the KPU little time to coordinate its implementation effort across this vast archipelago.

#### A MIXED BAG

19. (C) On balance, the bill appears to be a mixed bag. The new residual vote tabulating mechanism introduces a new level of complexity in elections and seemingly disadvantages all but the largest parties. The parliamentary threshold should reduce the number of parties and make the DPR a bit more coherent perhaps. The bill also significantly diminishes the importance of the parties in general by making many of the legislators more accountable to their constituents. This move towards accountability represents a significant step in

the right direction and could ultimately help to reorient the DPR's focus more towards constituent service.

HUME